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TOWN OF LUTCHER, LOUISIANA

FINANCIAL REPORT

APRIL 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-9-00



Postlethwaite & Netterville

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

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LOUISIANA

TOWN OF LUTCHER, LOUISIANA

FINANCIAL REPORT

APRIL 30, 2000



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Litcher, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Litcher, Louisiana, as of and for the year ended April 30, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Litcher, Louisiana's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Litcher, Louisiana, as of April 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2000, on our consideration of the Town of Litcher, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Litcher, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole, except for that information relating to the number of customers serviced by the water and sewer systems. This information was furnished to us from the Town, and we express no opinion on it.

Donaldsonville, Louisiana
June 7, 2000



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Litcher, Louisiana

We have audited the general purpose financial statements of the Town of Litcher, Louisiana, as of and for the year ended April 30, 2000, and have issued our report thereon dated June 7, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Litcher, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 99-3, 99-4, 99-5, 99-6, and 99-7.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Litcher, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Litcher, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 99-2, to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Town of Litcher, Louisiana in a separate letter dated June 7, 2000.

This report is intended solely for the information and use of the Board of Aldermen, management, others within the organization, federal awarding agencies, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Nettlesville

Donaldsonville, Louisiana
June 7, 2000



TOWN OF LUTCHER, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET

April 30, 2000

	Governmental Fund Types			
	General	Debt Service	Special Revenue	Capital Projects
<u>ASSETS</u>				
Cash	\$ 111,587	\$ -	\$ -	\$ -
Certificates of deposit	100,000	-	-	-
Receivables:				
Taxes	15,324	6,260	-	-
Interest	2,056	880	-	-
Accounts, net	20,535	-	-	-
Intergovernmental	7,057	-	-	-
Due from other funds	6,673	-	248,188	-
Prepaid insurance	-	-	-	-
Restricted assets:				
Cash	-	89,562	-	-
Certificates of deposit	-	94,015	-	-
Fixed assets (net)	-	-	-	-
Bond issue costs	-	-	-	-
Amount to be provided for debt service	-	-	-	-
Amount available for debt service	-	-	-	-
Total assets	\$ 263,232	\$ 190,717	\$ 248,188	\$ -
<u>LIABILITIES</u>				
Accounts payable	\$ 26,309	\$ -	\$ -	\$ -
Customer service meter deposits	-	-	-	-
Accrued payables	8,718	4,802	-	-
Due to other funds	-	-	-	-
Revenue bonds payable - current portion	-	-	-	-
Revenue bonds payable - noncurrent portion	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	35,027	4,802	-	-
<u>FUND EQUITY</u>				
Contributed capital (net)	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balance:				
Unreserved - undesignated	228,205	-	-	-
Reserved	-	185,915	248,188	-
Total fund equity	228,205	185,915	248,188	-
Total liabilities and fund equity	\$ 263,232	\$ 190,717	\$ 248,188	\$ -

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-term Obligations	2000
Enterprise			
\$ 203,131	\$ -	\$ -	\$ 314,718
125,336	-	-	225,336
-	-	-	21,584
1,545	-	-	4,481
84,127	-	-	104,662
-	-	-	7,057
-	-	-	254,861
8,861	-	-	8,861
101,992	-	-	191,554
5,754	-	-	99,769
2,988,406	745,655	-	3,734,061
4,948	-	-	4,948
-	-	447,085	447,085
-	-	185,915	185,915
<u>\$ 3,524,100</u>	<u>\$ 745,655</u>	<u>\$ 633,000</u>	<u>\$ 5,604,892</u>
\$ 10,606	\$ -	\$ -	\$ 36,915
58,015	-	-	58,015
5,434	-	-	18,954
254,861	-	-	254,861
17,154	-	-	17,154
293,603	-	-	293,603
-	-	633,000	633,000
<u>639,673</u>	<u>-</u>	<u>633,000</u>	<u>1,312,502</u>
2,405,809	-	-	2,405,809
-	745,655	-	745,655
17,847	-	-	17,847
460,771	-	-	460,771
-	-	-	228,205
-	-	-	434,103
<u>2,884,427</u>	<u>745,655</u>	<u>-</u>	<u>4,292,390</u>
<u>\$ 3,524,100</u>	<u>\$ 745,655</u>	<u>\$ 633,000</u>	<u>\$ 5,604,892</u>

TOWN OF LUTCHER, LOUISIANA
ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 2000

	General	Debt Service	Special Revenue	Capital Projects	Total (Memorandum Only) 2000
<u>REVENUES</u>					
Ad valorem taxes	\$ 56,935	\$ 91,908	\$ -	\$ -	\$ 148,843
Interest	-	5,667	-	-	5,667
Taxes	147,761	-	-	-	147,761
Commissions	55,001	-	-	-	55,001
Garbage fees	200,859	-	-	-	200,859
Licenses and permits	81,056	-	-	-	81,056
Intergovernmental revenue	58,391	-	-	40,650	99,041
Fines and forfeitures	6,596	-	-	-	6,596
Other revenue	23,408	-	70,352	-	93,760
Total revenues	<u>630,007</u>	<u>97,575</u>	<u>70,352</u>	<u>40,650</u>	<u>838,584</u>
<u>EXPENDITURES</u>					
Current operating expenditures:					
General government	213,472	-	-	-	213,472
Streets	132,612	-	-	-	132,612
Public safety	94,525	-	-	-	94,525
Sanitation	182,759	-	-	40,650	223,409
Debt service expenditures:					
Principal retirement	-	35,000	-	-	35,000
Interest	-	34,785	-	-	34,785
Paying agent fee	-	605	-	-	605
Total expenditures	<u>623,368</u>	<u>70,390</u>	<u>-</u>	<u>40,650</u>	<u>734,408</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>6,639</u>	<u>27,185</u>	<u>70,352</u>	<u>-</u>	<u>104,176</u>
<u>FUND BALANCE</u>					
Beginning of year, as previously stated	221,566	158,730	-	-	380,296
Prior period adjustment	-	-	177,836	-	177,836
Beginning of year, restated	<u>221,566</u>	<u>158,730</u>	<u>177,836</u>	<u>-</u>	<u>558,132</u>
End of year	<u>\$ 228,205</u>	<u>\$ 185,915</u>	<u>\$ 248,188</u>	<u>\$ -</u>	<u>\$ 662,308</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
GENERAL AND DEBT SERVICE FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2000

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 193,000	\$ 204,696	\$ 11,696
Commissions	61,500	55,001	(6,499)
Garbage fees	207,000	200,859	(6,141)
Licenses	80,000	81,056	1,056
Intergovernmental revenue	49,500	58,391	8,891
Fines and forfeitures	7,000	6,596	(404)
Interest revenue	-	-	-
Other revenue	24,100	23,408	(692)
Total revenues	622,100	630,007	7,907
<u>EXPENDITURES</u>			
Current operating expenditures:			
General government	198,130	213,472	(15,342)
Streets	193,300	132,612	60,688
Public safety	85,750	94,525	(8,775)
Sanitation	185,000	182,759	2,241
Debt service expenditures:			
Principal retirement	-	-	-
Interest	-	-	-
Paying agent fee	-	-	-
Total expenditures	662,180	623,368	38,812
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(40,080)	6,639	46,719
<u>FUND BALANCE</u>			
Beginning of year, as previously stated	221,566	221,566	-
Prior period adjustment	-	-	-
Beginning of year, restated	221,566	221,566	-
End of year	\$ 181,486	\$ 228,205	\$ 46,719

The accompanying notes are an integral part of this statement.



Debt Service Fund

Budget	Actual	Variance Favorable (Unfavorable)
\$ 92,000	\$ 91,908	\$ (92)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,500	5,667	3,167
-	-	-
<u>94,500</u>	<u>97,575</u>	<u>3,075</u>
-	-	-
-	-	-
-	-	-
-	-	-
35,000	35,000	-
34,113	34,785	(672)
1,150	605	545
<u>70,263</u>	<u>70,390</u>	<u>(127)</u>
24,237	27,185	2,948
158,730	158,730	-
-	-	-
<u>158,730</u>	<u>158,730</u>	<u>-</u>
<u>\$ 182,967</u>	<u>\$ 185,915</u>	<u>\$ 2,948</u>

TOWN OF LUTCHER, LOUISIANA
PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 2000

	<u>2000</u>
<u>OPERATING REVENUES</u>	
Charges for service	
Sales	\$ 434,814
Use of oxidation pond	69,274
Delinquent Charges	13,036
Grant	120,421
Miscellaneous revenues	17,675
Total operating revenues	<u>655,220</u>
<u>OPERATING EXPENSES</u>	
Professional services	19,765
Payroll taxes	14,287
Retirement	6,411
Insurance	60,610
Office supplies and postage	6,018
Miscellaneous	11,570
Salaries	208,508
Oxidation pond/water plant analysis and treatment	27,276
Electricity	66,365
Materials, supplies, and repairs	131,737
Depreciation	203,766
Total operating expenses	<u>756,313</u>
<u>LOSS FROM OPERATIONS</u>	<u>(101,093)</u>
<u>NONOPERATING REVENUES</u>	
FEMA revenue	60,143
Interest	14,427
Total nonoperating revenues	<u>74,570</u>
<u>NONOPERATING EXPENSES</u>	
FEMA expense	60,000
Interest expense	19,973
Total nonoperating expenses	<u>79,973</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 2000

	<u>2000</u>
<u>NET LOSS</u>	\$ (106,496)
Add back depreciation on assets acquired with capital grants	<u>152,004</u>
Increase in Retained Earnings	<u>45,508</u>
 <u>RETAINED EARNINGS</u>	
Balance at beginning of year, as previously stated	610,946
Prior period adjustment	<u>(177,836)</u>
Balance at beginning of year, restated	<u>433,110</u>
 End of year	 <u><u>\$ 478,618</u></u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2000

	<u>2000</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Operating loss	\$ (101,093)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -	
Depreciation	203,766
Bad debt provision	(1,576)
Amortization of bond issue costs	398
Loss on disposition of assets	1,378
Changes in assets and liabilities -	
Decrease in receivables	8,250
Decrease in prepaid expenses and other assets	78,177
(Decrease) in accounts payable and other liabilities	(70,182)
Net cash provided by operating activities	<u>119,118</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Maturities of investments	4,650
Interest and dividends from investments	10,422
Net cash provided by investing activities	<u>15,072</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition of capital assets	(15,386)
Principal payments on long-term debt	(16,138)
Interest paid on long-term debt	(19,973)
FEMA revenue	60,143
FEMA expenses	(60,000)
Net cash used in capital and related financing activities	<u>(51,354)</u>
Net increase in cash and cash equivalents	82,836
Cash and cash equivalents - beginning of year	<u>222,287</u>
Cash and cash equivalents - end of year	<u>\$ 305,123</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of Lutchet, Louisiana was incorporated on March 13, 1912, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Lutchet conform to generally accepted accounting principles as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards (GASB) pronouncements. The Town's proprietary fund applies all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Special Revenue Fund - The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the Town.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds - The Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed Assets and Long-term Obligations

The accounting and reporting treatment applied to fixed assets and long-term liabilities is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Fixed Assets and Long-term Obligations (continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental funds when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Long-term obligations expected to be financed from governmental fund resources are accounted for in the General Long-term Obligation Account Group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	40 years
Waterworks system	40 years
Office equipment	5-10 years
Automotive equipment	3-5 years

All fixed assets are stated at historical cost.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenue, and various intergovernmental revenues are susceptible to accrual. Fines, licenses, and permits are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on long-term debt which is recognized when due.



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, special revenue, and proprietary funds are adopted on bases consistent with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts for the year ended April 30, 2000, are as originally adopted.



TOWN OF LUTCHER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Cash and Investments

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, certificates of deposit, and federal obligations are stated at market value.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in obligations of the U.S. Treasury and U.S. agencies, demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts account at the time information becomes available which indicates the uncollectibility of the particular receivable.

Accumulated Unpaid Vacation

Employees earn vacation leave at various rates depending upon the length of their employment. Amounts of vested or accumulated vacation leave are expected to be liquidated with expendable available financial resources of the general fund and are reported as an expenditure and liability of the fund as the benefits accrue to employees. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Comparative Data

Comparative total data for the prior year is generally presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. However, since its inclusion would make the statements unduly complex and difficult to read, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in the statements.

Total Columns on Combined Statements

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable to a consolidation.



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Statements of Cash Flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from individuals or other funds. Reserves represent those portions of fund equity not appropriable for expenditures.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, business interruption, errors and omissions; employee injuries and illnesses, natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance 04/30/99	Additions	Deletions	Balance 04/30/00
Land	\$ 4,085	\$ -	\$ -	\$ 4,085
Lutcher Park	346,594	-	-	346,594
Buildings	254,819	-	-	254,819
Equipment	127,642	6,879	(2,362)	132,157
Assets under capital lease	8,000	-	-	8,000
	<u>\$ 741,140</u>	<u>\$ 6,879</u>	<u>(\$ 2,362)</u>	<u>\$ 745,655</u>



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

2. **Fixed Assets** (continued)

A summary of changes in proprietary fund type property, plant, and equipment follows:

	Balance 04/30/99	Additions	Deletions	Balance 04/30/00
Land and improvements	\$ 49,295	\$ -	\$ -	\$ 49,295
Water and Sewer Facility and System	4,767,617	578,916	-	5,346,533
Equipment	112,249	12,906	(6,195)	118,960
Construction in progress	567,733	49,353	(576,436)	40,650
	5,496,894	641,175	(582,631)	5,555,438
Less: Accumulated depreciation	(2,368,084)	(203,765)	4,817	(2,567,032)
	<u>\$ 3,128,810</u>	<u>\$ 437,410</u>	<u>(\$ 577,814)</u>	<u>\$ 2,988,406</u>

In accordance with Financial Accounting Standards Board Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, the Town capitalizes interest in connection with construction-in-progress for Proprietary Fund types. No interest was capitalized during the year ended April 30, 2000.

3. **Changes in Long-Term Debt**

The following is a summary of long-term debt transactions which occurred during the year ended April 30, 2000:

	Balance 04/30/99	Additions	Retirements	Balance 04/30/00
General Obligation Bonds, Series 1990	\$ 35,000	\$ -	(\$ 15,000)	\$ 20,000
General Obligation Bonds, Series 1992	65,000	-	(15,000)	50,000
General Obligation Refunding Bonds, Series 1998	568,000	-	(5,000)	563,000
Sewer Revenue Bonds	326,895	-	(16,138)	310,757
	<u>\$ 994,895</u>	<u>\$ -</u>	<u>(\$ 51,138)</u>	<u>\$ 943,757</u>

TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Debt (continued)

Bonds payable at April 30, 2000 were comprised of the following individual issues:

General Long-Term Debt

\$400,000 of General Obligation Bonds, Series 1990; due in various semi-annual installments, including variable interest rates, through November 1, 2000.	\$ 20,000
\$400,000 of General Obligation Bonds, Series 1992; due in various semi-annual installments, including interest rates through October 1, 2002.	\$ 50,000
\$573,000 of General Obligation Refunding Bonds, Series 1998; due in various semi-annual installments, including interest at 4.89%, through October 1, 2012.	563,000
	\$ 633,000

Sewer Fund

\$400,000 of Sewer Revenue Bonds; due in monthly installments of \$2,976, including interest at 6.125%, through October 5, 2012.	\$ 310,757
--	------------

The annual requirements to amortize all debt outstanding as of April 30, 2000, including interest payments of \$339,406, are as follows:

<u>Year ending</u> <u>April 30,</u>	<u>Amount</u>
2001	\$ 107,630
2002	104,057
2003	106,774
2004	104,453
2005	108,353
Thereafter	753,466
	<u>\$ 1,284,733</u>

As part of the various Bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and audit requirements, maintenance of various deposit accounts and funds, and other administrative requirements.



TOWN OF LUTCHER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended April 30, 2000, taxes of 7 mills were levied on property with assessed valuations totaling \$7,690,419 for general purposes. Additional taxes of 12.25 mills were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due.

Ad valorem taxes levied during the year ended April 30, 2000 totaled approximately \$148,044.

5. Defined Benefit Pension Plan

Substantially all employees of the Town of Litcher are members of either the Municipal Employees' Retirement System of Louisiana or the Municipal Police Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

a. Municipal Employees' Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town of Litcher are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with a least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.



TOWN OF LUTCHER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

5. **Defined Benefit Pension Plan** (continued)

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary, and the Town of Lutchet is required to contribute at an actuarially determined rate. The rate currently being paid by the Town is 4.50 percent of annual covered payroll. Contributions to the System also include 0.25 percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Lutchet are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Lutchet's contributions to the System under Plan B during the year ending April 30, 2000, 1999, and 1998 were \$12,768, \$9,650, and \$7,520, respectively. These amounts were equal to the required contributions for each year.

6. **Segments of Enterprise Activities**

Water and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended April 30, 2000 for these services are as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating revenues	\$ 227,069	\$ 428,151	\$ 655,220
Depreciation	\$ 142,466	\$ 61,300	\$ 203,766
(Loss) from operations	(\$ 96,313)	(\$ 4,780)	(\$ 101,093)
Net income (loss)	(\$ 108,255)	\$ 1,759	(\$ 106,496)
Acquisition of capital assets	\$ 9,171	\$ 55,568	\$ 64,739
Net working capital	\$ 3,519	\$ 80,449	\$ 83,968
Total assets	\$ 2,401,092	\$ 1,123,008	\$ 3,524,100
Outstanding revenue bonds	\$ 310,757	\$ -	\$ 310,757
Total equity	\$ 1,824,986	\$ 1,059,441	\$ 2,884,427

7. **Restricted Assets**

Under the terms of the bond indentures for the general obligation bonds and the sewer revenue bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts after provisions have been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the utility systems.

As of April 30, 2000, the Town was in compliance with all related debt covenants.



TOWN OF LUTCHER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Cash and Certificates of Deposit

At April 30, 2000, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$ 250
Demand deposit accounts / savings accounts	<u>506,022</u>
Total	506,272
Certificates of deposit	<u>325,105</u>
Total Deposits	\$ <u>831,377</u>

These deposits are stated at cost, which approximates market. A description of the types of authorized deposits is included in the Summary of Significant Accounting Policies under the caption of Cash and Cash Equivalents. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. At April 30, 2000, the Town had \$871,962 in deposits (collected bank balances). Of these bank balances, \$365,000 was covered by federal depository insurance, \$49,537 was covered by securities investor protection corporation insurance, and \$350,520 was collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. Due to an oversight by management, \$106,905 remained uncollateralized at April 30, 2000, which is a violation of LRS 39:1225.

9. Due From/To Other Funds

Individual balances due from/to other funds are as follows

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 6,673	\$ -
Special Revenue Fund Road Maintenance Fund	248,188	-
Enterprise Funds Sewer Fund	<u>-</u>	<u>254,861</u>
Total	\$ <u>254,861</u>	\$ <u>254,861</u>

TOWN OF LUTCHER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

10. Reserved Fund Equity

Fund equity is reserved as follows:

	<u>Debt Service Fund</u>	<u>Sewer Fund</u>	<u>Road Maintenance Fund</u>	<u>Total</u>
Reserved for Bond Retirement	\$ 185,915	\$ 17,847	\$ -	\$ 203,762
Reserved for Road Maintenance	-	-	248,188	248,188
	<u>\$ 185,915</u>	<u>\$ 17,847</u>	<u>\$ 248,188</u>	<u>\$ 451,950</u>

11. Prior Period Adjustment

In prior years, a road tax that was assessed on customers who dump waste into the Town's oxidation pond was not recorded in the proper fund. The funds were deposited and recorded in an enterprise fund (Sewer Fund) rather than a special revenue fund (Road Maintenance Fund). Therefore, an adjustment was made to decrease retained earnings and increase due to other funds in the amount of \$177,836 in the Sewer Fund. An adjustment was also made in the Road Maintenance Fund to increase fund balance and increase due from other funds in the amount of \$177,836.

The effect of this adjustment, if recorded in the appropriate year, would have increased the net loss and decreased retained earnings for April 30, 1999 of the Sewer Fund in the amount of \$46,362. Additionally, there would have been an increase of \$46,362 in net income and retained earnings of the Road Maintenance Fund for April 30, 1999.

FINANCIAL STATEMENTS OF

INDIVIDUAL FUNDS AND ACCOUNT GROUPS



GENERAL FUND

To account for resources traditionally associated
with governments which are not required to be
accounted for in other funds.



TOWN OF LUTCHER, LOUISIANA
GENERAL FUND

BALANCE SHEET
April 30, 2000

ASSETS

	<u>General Fund</u>
Cash	\$ 111,587
Investments	100,000
Receivables:	
Taxes	15,324
Interest	2,056
Accounts (net of allowance for doubtful accounts of \$739)	20,535
Intergovernmental	7,057
Due from other funds	<u>6,673</u>
 Total assets	 <u>\$ 263,232</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 26,309
Other current liabilities	<u>8,718</u>
Total liabilities	<u>35,027</u>
 Fund balance	 <u>228,205</u>
 Total liabilities and fund balance	 <u>\$ 263,232</u>

The accompanying notes are an integral part of these statements.



TOWN OF LUTCHER, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2000

	2000		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 193,000	\$ 204,696	\$ 11,696
Commissions	61,500	55,001	(6,499)
Garbage fees	207,000	200,859	(6,141)
Licenses	80,000	81,056	1,056
Intergovernmental revenues:			
Tobacco	20,000	19,978	(22)
Beer	2,500	2,345	(155)
Video poker	15,000	17,883	2,883
Grant	12,000	18,185	6,185
Fines	7,000	6,596	(404)
Other	24,100	23,408	(692)
Total revenues	<u>622,100</u>	<u>630,007</u>	<u>7,907</u>
<u>EXPENDITURES</u>			
Current operating expenditures:			
General government	198,130	213,472	(15,342)
Streets	193,300	132,612	60,688
Public safety	85,750	94,525	(8,775)
Sanitation	185,000	182,759	2,241
Total expenditures	<u>662,180</u>	<u>623,368</u>	<u>38,812</u>
<u>EXCESS (DEFICIENCY) OF</u>			
<u>REVENUES OVER EXPENDITURES</u>	(40,080)	6,639	46,719
<u>FUND BALANCE</u>			
Beginning of year	<u>221,566</u>	<u>221,566</u>	<u>-</u>
End of year	<u>\$ 181,486</u>	<u>\$ 228,205</u>	<u>\$ 46,719</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2000

	2000		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>GENERAL GOVERNMENT</u>			
Salaries	\$ 58,680	\$ 70,558	\$ (11,878)
Planning and zoning	10,100	632	9,468
Professional fees	10,600	7,322	3,278
Electricity	6,000	6,996	(996)
Insurance	46,000	36,559	9,441
Supplies and maintenance	12,500	12,623	(123)
Miscellaneous	5,000	4,536	464
Retirement	4,500	2,695	1,805
Office expenses	20,250	13,415	6,835
Payroll taxes	12,500	8,739	3,761
Per diem	1,500	1,742	(242)
Capital outlay	-	33,747	(33,747)
Uncollectible accounts	-	739	(739)
Dues and subscriptions	2,000	1,275	725
Education and conventions	3,500	5,177	(1,677)
Telephone	5,000	6,717	(1,717)
Total general government	<u>198,130</u>	<u>213,472</u>	<u>(15,342)</u>
<u>STREETS</u>			
Salaries	55,000	55,218	(218)
Miscellaneous	1,000	1,204	(204)
Gasoline, oil, and diesel	2,500	1,665	835
Street drainage and ditching	51,000	885	50,115
Street signs	2,000	1,496	504
Truck and tractor expense	12,000	4,985	7,015
Supplies and maintenance	24,000	21,750	2,250
Electricity	45,000	44,657	343
Uniforms	800	752	48
Total streets	<u>193,300</u>	<u>132,612</u>	<u>60,688</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2000

	2000		Variance
	Budget	Actual	Favorable (Unfavorable)
<u>PUBLIC SAFETY</u>			
Salaries	\$ 60,000	\$ 61,213	\$ (1,213)
Gasoline and oil	3,500	7,655	(4,155)
Uniforms	600	521	79
Telephone	3,000	3,106	(106)
Insurance	-	3,306	(3,306)
Vehicle expenses	10,000	6,202	3,798
Supplies and maintenance	6,000	3,543	2,457
Payroll taxes	-	1,614	(1,614)
Miscellaneous	1,500	7,365	(5,865)
Capital outlay	1,150	-	1,150
Total public safety	<u>85,750</u>	<u>94,525</u>	<u>(8,775)</u>
<u>SANITATION</u>			
Solid waste disposal	185,000	182,759	2,241
Total sanitation	<u>185,000</u>	<u>182,759</u>	<u>2,241</u>
Total all departments	<u>\$ 662,180</u>	<u>\$ 623,368</u>	<u>\$ 38,812</u>

The accompanying notes are an integral part of this statement.



DEBT SERVICE FUND

To account for accumulation of funds and payments
of principal and interest on specified bond issues.



TOWN OF LUTCHER, LOUISIANA
DEBT SERVICE FUND

BALANCE SHEET
April 30, 2000

ASSETS

	Debt Service
<u>CURRENT ASSETS</u>	
Property taxes receivable	\$ 6,260
Accrued interest receivable	880
Total current assets	<u>7,140</u>
<u>RESTRICTED ASSETS</u>	
Cash	89,562
Certificates of deposit	94,015
	<u>183,577</u>
Total assets	<u><u>\$ 190,717</u></u>

LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	
Deferred property tax revenue	\$ 4,802
Total liabilities	<u>4,802</u>
<u>FUND BALANCE</u>	
Reserved for debt service	185,915
Total fund balance	<u>185,915</u>
Total liabilities and fund balance	<u><u>\$ 190,717</u></u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2000

	Dcbt Service
<u>REVENUES</u>	
Ad valorem taxes	\$ 91,908
Interest revenues	5,667
Total revenues	<u>97,575</u>
 <u>EXPENDITURES</u>	
Principal retirement	35,000
Interest	34,785
Paying agent fee	605
Total expenditures	<u>70,390</u>
 <u>EXCESS OF REVENUES OVER</u> <u>EXPENDITURES</u>	 27,185
 <u>FUND BALANCE</u>	
Beginning of year	<u>158,730</u>
End of year	<u>\$ 185,915</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 92,000	\$ 91,908	\$ (92)
Interest revenues	2,500	5,667	3,167
Total revenues	<u>94,500</u>	<u>97,575</u>	<u>3,075</u>
 <u>EXPENDITURES</u>			
Principal retirement	35,000	35,000	-
Interest	34,113	34,785	(672)
Paying Agent Fee	1,150	605	545
Total expenditures	<u>70,263</u>	<u>70,390</u>	<u>(127)</u>
 <u>EXCESS OF REVENUES OVER EXPENDITURES</u>	 24,237	 27,185	 2,948
 <u>FUND BALANCE</u>			
Beginning of year	<u>158,730</u>	<u>158,730</u>	<u>-</u>
End of year	<u>\$ 182,967</u>	<u>\$ 185,915</u>	<u>\$ 2,948</u>

The accompanying notes are an integral part of this statement.



SPECIAL REVENUE FUND

To account for funds associated with road user tax to be used exclusively for the repair, maintenance, and improvement of streets and roads.



TOWN OF LUTCHER, LOUISIANA
SPECIAL REVENUE FUND

BALANCE SHEET
April 30, 2000

ASSETS

	Road Maintenance
<u>CURRENT ASSETS</u>	
Due from other funds	\$ 248,188
Total current assets	<u>248,188</u>
Total assets	<u><u>\$ 248,188</u></u>

FUND BALANCE

<u>FUND BALANCE</u>	
Reserved for road maintenance	\$ 248,188
Total fund balance	<u>248,188</u>
Total fund balance	<u><u>\$ 248,188</u></u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2000

	Road Maintenance
<u>REVENUES</u>	
Road user tax	\$ 70,352
Total revenues	<u>70,352</u>
<u>EXPENDITURES</u>	<u>-</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>70,352</u>
<u>FUND BALANCE</u>	
Beginning of year, as previously stated	-
Prior period adjustment	177,836
Beginning of year, restated	<u>177,836</u>
End of year	<u>\$ 248,188</u>

The accompanying notes are an integral part of this statement.





CAPITAL PROJECTS FUND

To account for funds associated with Louisiana Community Development Block Grant to be used for improvements to the water plant and water intake structure.



TOWN OF LUTCHER, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2000

	LCDBG Grant
<u>REVENUES</u>	
Grant revenue	\$ 40,650
Total revenues	<u>40,650</u>
<u>EXPENDITURES</u>	
Grant expenditures	40,650
Total expenditures	<u>40,650</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>-</u>
<u>FUND BALANCE</u>	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.



ENTERPRISE FUNDS

Water Fund and Sewer Fund - To account for the provision of water and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.



TOWN OF LUTCHER, LOUISIANA
ENTERPRISE FUNDS

BALANCE SHEET
April 30, 2000

A S S E T S

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 142,851	\$ 60,280	\$ 203,131
Certificates of deposit	95,336	30,000	125,336
Accounts receivable (net of allowance for doubtful accounts of \$961 and \$1,612, respectively)	39,331	44,796	84,127
Interest receivable	1,024	521	1,545
Prepaid insurance	442	8,419	8,861
Total current assets	<u>278,984</u>	<u>144,016</u>	<u>423,000</u>
<u>RESTRICTED ASSETS</u>			
Cash	46,756	55,236	101,992
Certificates of deposit	-	5,754	5,754
Total restricted assets	<u>46,756</u>	<u>60,990</u>	<u>107,746</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>			
Land and improvements	18,042	31,253	49,295
Plant and equipment	3,495,218	2,010,925	5,506,143
	<u>3,513,260</u>	<u>2,042,178</u>	<u>5,555,438</u>
Less: Allowance for depreciation	(1,442,856)	(1,124,176)	(2,567,032)
Net property, plant, and equipment	<u>2,070,404</u>	<u>918,002</u>	<u>2,988,406</u>
<u>OTHER ASSET</u>			
Bond issue costs (net of amortization of \$3,021)	4,948	-	4,948
Total assets	<u>\$ 2,401,092</u>	<u>\$ 1,123,008</u>	<u>\$ 3,524,100</u>

The accompanying notes are an integral part of this statement.



LIABILITIES AND CAPITAL

	Sewer Fund	Water Fund	Total
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$ 8,258	\$ 2,348	\$ 10,606
Customer meter deposits	-	58,015	58,015
Accrued payables	2,230	3,204	5,434
Due to other funds	254,861	-	254,861
Revenue bonds payable	17,154	-	17,154
Total current liabilities	<u>282,503</u>	<u>63,567</u>	<u>346,070</u>
<u>LONG-TERM LIABILITIES</u>			
Revenue bonds payable - due after one year	<u>293,603</u>	<u>-</u>	<u>293,603</u>
Total long-term liabilities	<u>293,603</u>	<u>-</u>	<u>293,603</u>
Total liabilities	<u>576,106</u>	<u>63,567</u>	<u>639,673</u>
<u>CAPITAL CONTRIBUTIONS</u>	<u>1,714,521</u>	<u>691,288</u>	<u>2,405,809</u>
<u>RETAINED EARNINGS</u>			
Reserved for bond retirement	17,847	-	17,847
Unreserved	92,618	368,153	460,771
Total retained earnings	<u>110,465</u>	<u>368,153</u>	<u>478,618</u>
Total capital	<u>1,824,986</u>	<u>1,059,441</u>	<u>2,884,427</u>
Total liabilities and capital	<u>\$ 2,401,092</u>	<u>\$ 1,123,008</u>	<u>\$ 3,524,100</u>

TOWN OF LUTCHER, LOUISIANA
ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 2000

	Sewer Fund	Water Fund	Total
<u>OPERATING REVENUES</u>			
Charges for service			
Sales	\$ 147,771	\$ 287,043	\$ 434,814
Use of oxidation pond	69,274	-	69,274
Delinquent Charges	3,857	9,179	13,036
Grant	-	120,421	120,421
Miscellaneous revenues	6,167	11,508	17,675
Total operating revenues	<u>227,069</u>	<u>428,151</u>	<u>655,220</u>
<u>OPERATING EXPENSES</u>			
Professional services	10,913	8,852	19,765
Payroll taxes	3,810	10,477	14,287
Retirement	1,750	4,661	6,411
Insurance	13,668	46,942	60,610
Office supplies and postage	1,267	4,751	6,018
Miscellaneous	3,054	8,516	11,570
Salaries	53,034	155,474	208,508
Oxidation pond/water plant analysis and treatment	16,377	10,899	27,276
Electricity	46,794	19,571	66,365
Materials, supplies, and repairs	30,249	101,488	131,737
Depreciation	142,466	61,300	203,766
Total operating expenses	<u>323,382</u>	<u>432,931</u>	<u>756,313</u>
<u>LOSS FROM OPERATIONS</u>	<u>(96,313)</u>	<u>(4,780)</u>	<u>(101,093)</u>
<u>NONOPERATING REVENUES</u>			
FEMA revenue	59,930	213	60,143
Interest	8,101	6,326	14,427
Total nonoperating revenues	<u>68,031</u>	<u>6,539</u>	<u>74,570</u>
<u>NONOPERATING EXPENSES</u>			
FEMA expense	60,000	-	60,000
Interest expense	19,973	-	19,973
Total nonoperating expenses	<u>79,973</u>	<u>-</u>	<u>79,973</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
ENTERPRISE FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 2000

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>NET INCOME (LOSS)</u>	\$ (108,255)	\$ 1,759	\$ (106,496)
Add back depreciation on assets acquired with capital grants	114,992	37,012	152,004
Increase in retained earnings	<u>6,737</u>	<u>38,771</u>	<u>45,508</u>
<u>RETAINED EARNINGS</u>			
Balance at beginning of year, as previously stated	281,564	329,382	610,946
Prior period adjustment	(177,836)	-	(177,836)
Balance at beginning of year, restated	<u>103,728</u>	<u>329,382</u>	<u>433,110</u>
End of year	<u><u>\$ 110,465</u></u>	<u><u>\$ 368,153</u></u>	<u><u>\$ 478,618</u></u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA
ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2000

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Operating loss	\$ (96,313)	\$ (4,780)	\$ (101,093)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -			
Depreciation	142,466	61,300	203,766
Bad debt provision	(422)	(1,154)	(1,576)
Amortization of bond issue costs	398	-	398
Loss on disposition of assets	360	1,018	1,378
Changes in assets and liabilities -			
Decrease in receivables	7,339	911	8,250
(Increase) decrease in prepaid expenses and other assets	(509)	78,686	78,177
Increase (decrease) in accounts payable and other liabilities	72,208	(142,390)	(70,182)
Net cash provided by (used in) operating activities	<u>125,527</u>	<u>(6,409)</u>	<u>119,118</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Maturities of investments	-	4,650	4,650
Interest and dividends from investments	4,350	6,072	10,422
Net cash provided by investing activities	<u>4,350</u>	<u>10,722</u>	<u>15,072</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of capital assets	(9,172)	(6,214)	(15,386)
Principal payments on long-term debt	(16,138)	-	(16,138)
Interest paid on long-term debt	(19,973)	-	(19,973)
FEMA revenue	59,930	213	60,143
FEMA expenses	(60,000)	-	(60,000)
Net cash used in capital and related financing activities	<u>(45,353)</u>	<u>(6,001)</u>	<u>(51,354)</u>
Net increase (decrease) in cash and cash equivalents	84,524	(1,688)	82,836
Cash and cash equivalents - beginning of year	<u>105,083</u>	<u>117,204</u>	<u>222,287</u>
Cash and cash equivalents - end of year	<u>\$ 189,607</u>	<u>\$ 115,516</u>	<u>\$ 305,123</u>

The accompanying notes are an integral part of this statement.



TOWN OF LUTCHER, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED APRIL 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the Town of Lutchet, Louisiana.
2. Two reportable conditions disclosed during the audit of the financial statements are reported in Part B of this Schedule. One of the conditions is reported as a material weakness.
3. Material instances of noncompliance relative to the financial statements of Town of Lutchet are reported in Part B of this Schedule.

B. FINDINGS -- FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

99-1 Billing and Revenue Recognition

Condition: The Town of Lutchet has an ordinance that allows companies to use the sewer pond for certain waste disposal. Fees are charged for this service. Management has not adequately segregated the duties related to billing, collecting and recording these fees. One employee manually prepares the bills, receives the payments, and prepares the deposits. Also, the revenue is not recorded until payment is received rather than when billed.

Criteria: There should be proper segregation of duties related to billing, collection and recording of sewer pond revenue. In addition, billing should be computerized and revenue should be recorded when billed.

Effect: The lack of segregation of duties and manual billing could result in the misappropriation of funds. Revenue may not be recognized in the proper period.

Recommendation: Billing should be computerized. Additionally, duties should be properly segregated or reconciliations of billings and deposits should be performed by other personnel. Revenue should be recognized in the period billed. It should be noted that management has computerized its billing procedures for the upcoming fiscal period.

Response: We concur with the finding.

99-2 Segregation of Duties

Condition: There is a lack of segregation of duties due to the limited number of accounting personnel.

Criteria: Segregation of duties should be adequate to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control



TOWN OF LUTCHER, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED APRIL 30, 2000

REPORTABLE CONDITIONS (continued)

Recommendation: No action recommended.

Response: We concur with the finding.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

99-3 LA Local Government Budget Act

Condition: The General Fund budget was not properly adopted prior to April 30, 1999.

Criteria: LRS 39:1308A requires all action necessary to adopt the budget for an ensuing fiscal year to be completed prior to the end of the fiscal year in progress..

Effect: A comprehensive budget presenting a complete financial plan for the ensuing fiscal year for the general revenue fund was not adopted timely as required by LRS 39:1308A.

Recommendation: A budget for the general fund for the ensuing fiscal year should be properly adopted prior to the end of the fiscal year in progress.

Response: We will adopt all required budgets on a timely basis.

99-4 LA Local Government Budget Act

Condition: The Town did not publish the notice announcing the public hearing on the proposed budget at least ten days prior to the date of the public hearing.

Criteria: LRS 39:1306B requires the notice be published at least ten days prior to the date of the first public hearing.

Effect: The notice was published less then ten days before the public hearing.

Recommendation: The Town should publish the notice at least ten days prior to the date of the public hearing on the proposed budget.

Response: We will publish the notice on a timely basis.

99-5 LA Local Government Budget Act

Condition: The Town did not complete, submit, or adopt a budget for its Special Revenue Fund.

Criteria: LRS 39:1305A requires completion and submission to the governing authority of a proposed budget for the special revenue fund. LRS 39:1308A requires adoption of a budget.

TOWN OF LUTCHER, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED APRIL 30, 2000

COMPLIANCE WITH STATE LAWS AND REGULATIONS (continued)

Effect: No budget was completed, submitted, or adopted by the Town for its Special Revenue Fund.

Recommendation: The Town should complete, submit and adopt a budget for its Special Revenue Fund.

Response: We will complete, submit and adopt a budget for the Town's Special Revenue Fund.

99-6 Security for Deposits

Condition: The Town's deposits were undersecured by \$106,905 at April 30, 2000.

Criteria: LRS 39:1225 requires the amount of the security for deposits to be equal at all times to one hundred percent of the amount of funds on deposit.

Effect: The Town's deposits were not properly secured at April 30, 2000.

Recommendation: The Town should monitor the security for deposits at each financial institution used on a regular basis in order to ensure proper security on all deposits.

Response: We will properly monitor the security for deposits at each financial institution used by the Town.

99-7 Ordinance No. 94-11

Condition: The Town did not properly establish a Special Revenue Fund in order to segregate funds related to the imposition of a \$.03 per gallon road user tax.

Criteria: Ordinance No. 94-11 authorized a \$.03 per gallon road user tax assessed to commercial users of the Town's sewer pond to be used exclusively for the repair, maintenance, and improvement of streets and roads located within the Town.

Effect: Funds received from the road user tax were not properly segregated and recorded in a Special Revenue Fund.

Recommendation: Funds related to the road user tax imposed by ordinance No. 94-11 should be recorded in a Special Revenue Fund and used exclusively for the repair, maintenance, and improvement of streets and roads.

Response: We have properly established a Special Revenue Fund and segregated funds related to the road user tax as of April 30, 2000.



TOWN OF LUTCHER, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED APRIL 30, 2000

Reportable Conditions

Receipt Books

Condition: The Town was not properly accounting for the receipt books being issued by the Police Department.

Current Status: No similar findings were noted in the April 30, 2000 audit.

Segregation of Duties

Condition: The Town did not have adequate segregation of duties due to the limited number of account of accounting personnel.

Current Status: Similar findings were noted in the April 30, 2000 audit.

Billing and Revenue Recognition

Condition: One employee manually prepared the bills for the customers who use the sewer pond, received the payments, and prepared the deposits. Also, the revenue was not recorded until payment was received.

Current Status: Similar findings were noted in the April 30, 2000 audit.

Compliance with State Laws and Regulations

LA Local Government Budget Act

Condition: The Town violated LRS 39:1308A in that the General Fund budget was not properly adopted prior to April 30, 1998.

Current Status: Similar findings were noted in the April 30, 2000 audit.

LA Local Government Budget Act

Condition: The Town violated LRS 39:1305A such that the budget was not made available for public inspection at least fifteen days prior to the beginning of the fiscal year.

Current Status: No similar findings were noted in the April 30, 2000 audit.



*Mayor
Troas A. Poche'*

*Aldermen
Thomas George
Danny B. Manuel
Floyd A. Marshall
Wendy W. Peytavin
Patrick P. St.Pierre*

Town of Lutchet

*St. James Parish
P. O. Box 456
Lutchet, Louisiana 70071
Telephone: (225) 869-5823
Fax: (225) 869-9628*

CORRECTIVE ACTION PLAN



*Town Clerk
Patricia A. LeMoine*

*Town Attorney
Michael K. Heltz*

*Chief of Police
Denny Vicknair*

June 7, 2000

Louisiana Legislative Auditor

The Town of Lutchet respectfully submits the following corrective action plan for the year ended April 30, 2000.

Name and address of independent public accounting firm: Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Audit Period: May 1, 1999 – April 30, 2000

The findings from June 7, 2000 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

99-1 Billing and Revenue Recognition

Recommendation: Billing should be computerized. Additionally, duties should be properly segregated or reconciliations of billings and deposits should be performed by other personnel. Revenue should be recognized in the period billed.

Action Taken: We will attempt implementation of recommendation.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

99-3 LA Local Government Budget Act

Recommendation: A budget for the general fund for the ensuing fiscal year should be properly adopted prior to the end of the fiscal year in progress.

Action Taken: We will adopt all required budgets on a timely basis.

99-4 LA Local Government Budget Act

Recommendation: The Town should publish the notice announcing the public hearing on the proposed budget at least ten days prior to the date of the public hearing.

Action Taken: We will publish the notice on a timely basis.

99-5 LA Local Government Budget Act

Recommendation: The Town should complete, submit, and adopt a budget for its Special Revenue Fund.

Action Taken: We will complete, submit, and adopt a budget for the Town's Special Revenue Fund.

99-6 Security for Deposits

Recommendation: The Town should monitor the security for deposits at each financial institution used on a regular basis in order to ensure proper security on all deposits.

Action Taken: We will properly monitor the security for deposits at each financial institution used by the Town.

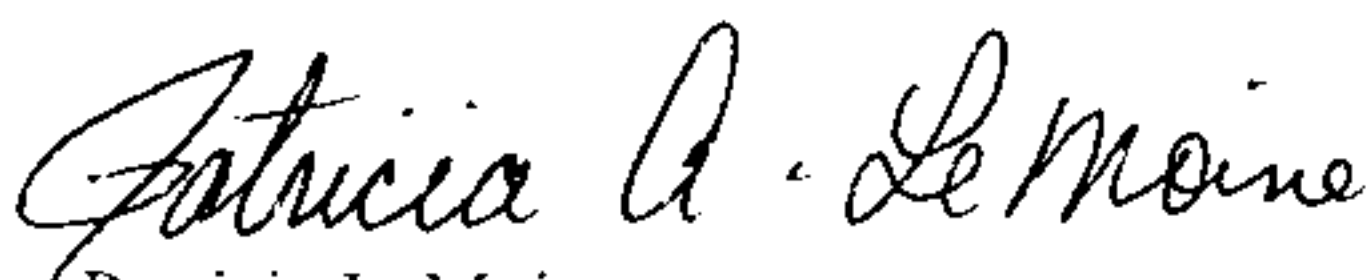
99-7 Ordinance No. 94-11

Recommendation: Funds related to the road user tax imposed by Ordinance No. 94-11 should be recorded in a Special Revenue Fund and used exclusively for the repair, maintenance, and improvement of streets and roads.

Action Taken: We have properly established a Special Revenue Fund and segregated funds related to the road user tax as of April 30, 2000.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Patricia LeMoine at (225) 869-5823.

Sincerely,


Patricia LeMoine
Town Clerk

SUPPORTING SCHEDULES



TOWN OF LUTCHER, LOUISIANA

INSURANCE-IN-FORCE
APRIL 30, 2000

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Automobile Liability	Coregis Insurance	May 1, 2001	\$1,000,000
General liability	Coregis Insurance	May 1, 2001	\$2,000,000
Law enforcement liability	Coregis Insurance	May 1, 2001	\$2,000,000
Sewer equipment	Hartford Steamboiler	May 1, 2001	\$400,000
Public officials liability	Coregis Insurance	May 1, 2001	\$1,000,000
Public officials bond	Employer's Mutual	January 4, 2002	\$10,000
Commercial property	Massachusetts Bay	February 16, 2001	\$867,500
FHA bond	Employer's Mutual	January 27, 2001	\$70,000
Tractor equipment	Audubon Insurance	March 2, 2001	Various limits totaling \$43,195
Public employee bond	Employer's Mutual	March 23, 2001	\$10,000
Water intake structure	Lloyds of London	April 10, 2001	\$415,000
Electronic data processing equipment	Audubon Insurance	April 26, 2001	\$23,014



SUPPLEMENTAL INFORMATION



TOWN OF LUTCHER, LOUISIANA

PUBLIC UTILITY SYSTEM OPERATIONS

APRIL 30, 2000

(Without Audit)

Statistics on System Operations

- (a) As of April 30, 2000 the number of metered customers was 1,387 for the water and sewer systems. There were no unmetered customers for either the water or sewer systems at April 30, 2000.
- (b) The following rate schedules were in effect during the fiscal year ended April 30, 2000 for water and sewer services:

(1) Water

The water rates to all water suppliers and to all water customers are users of the Town water system are as follows:

0 – 2,000 gallons	\$4.00
2,001 – 5,000 gallons	\$2.50 per 1,000 gallons or fraction thereof
5,001 – 10,000 gallons	\$2.00 per 1,000 gallons or fraction thereof
10,001 – 15,000 gallons	\$1.85 per 1,000 gallons or fraction thereof
Over 15,000 gallons	\$1.65 per 1,000 gallons or fraction thereof

(2) Sewer

The rates and charges for all customers and users of the sewerage treatment and disposal system of the Town are hereby established as follows:

Residences	\$ 6.50 per month
Schools and Nursing Homes	\$160.00 per month
Hospitals	\$105.00 per month
Administrative buildings, banks and savings and loan associations	\$ 58.00 per month
Businesses	\$ 22.00 per month

- (c) Average monthly billing per customer during the year ended April 30, 2000:

1. Water \$ 18.71

2. Sewer \$ 9.00



TOWN OF LUTCHER, LOUISIANA

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED APRIL 30, 2000

	<u>Salaries during the year ended April 30, 2000</u>
Mayor:	
Troas Poche'	\$ 7,200
Aldermen:	
Patrick St. Pierre	4,200
Danny Manuel	4,200
Floyd Marshall	4,200
C.C. Whitney	4,200
Thomas George	4,200
Chief of Police:	
Denny Vicknair	<u>20,000</u>
	<u>\$ 48,200</u>



Postlethwaite & Netterville

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June 7, 2000

Board of Alderman
Town of Lutchet
Lutchet, Louisiana

In planning and performing our audit of the financial statements of the Town of Lutchet for the year ended April 30, 2000, we considered the Town's internal control over financial reporting to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following recommendations summarize our comments and suggestions regarding those matters. This letter does not affect our report dated June 7, 2000, on the financial statements of the Town.

Accounts Receivable

Finding

The aging of the garbage, water, and sewer customer accounts receivable listing is incorrect and cannot be relied upon. We noted that included in the "current due" column are accounts that were not billed in the current month. This is a repeat comment from the prior year.

Recommendation

Subsequent to year end, the Town's billing software was appropriately modified to provide accurate aging of these receivables.

Vacation Policy

Findings

It was noted that there are inconsistencies in the Town's application of its vacation policy. In an attempt to correct issues noted in the prior year's management letter, management became aware that its current policy failed to address several issues related to proper accrual. As a result, it was noted that the policy does not address the following:

- the carryover of accrued vacation from one period to the next
- the treatment of accrued vacation upon termination of the employee
- the distinction of the period vacation time follows (calendar year, fiscal year, etc.)
- the hire date to be used in accounting for years of service as part-time employees become full time.

Recommendations

A new vacation policy has been adopted subsequent to year end in order to resolve these issues. In addition, adherence to the policy should be monitored.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Town personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would also like to take this opportunity to express our appreciation for the cooperation and courtesies extended to us during our audit procedures, and apologize for any inconveniences. We would be pleased to discuss the above matters and help with implementation of procedures at your convenience.

Sincerely,

Patricia A. Smith, CPA

